



March 3, 2010

MONTANA, NORTH DAKOTA PUSH FOR ACCESS TO CANADIAN PIPELINE

By Associated Press

[Story](#)

The governors of North Dakota and Montana are enlisting domestic oil producers Wednesday to pressure a Canadian energy company to allow domestic crude onto a pipeline planned from Alberta to the Gulf Coast.

TransCanada Corp. hopes to start construction this year on the 1,980-mile Keystone XL pipeline. It's part of the company's \$12 billion investment to extract crude from Alberta's oil sands.

But Montana is threatening to hold up the project — which includes about 280 miles through the state — if TransCanada doesn't allow an "onramp" for oil producers in western North Dakota and eastern Montana.

A TransCanada executive last month told Montana Gov. Brian Schweitzer the company had received little interest in such an entry point.

In response, Schweitzer and North Dakota Gov. John Hoeven invited domestic oil producers to meet with TransCanada in Billings on Wednesday to press their case.

On its way to Texas through the Northern Plains, the pipeline will pass through the booming Bakken oil formation. It holds an estimated 3.65 billion barrels of crude beneath Montana, North Dakota and Saskatchewan.

The Bakken is a huge find — enough to supply the entire country for about six months.

But that's still paltry compared with estimates of 1.7 trillion barrels of petroleum in the oil sands, where companies are signing long-term contracts with TransCanada to move up to 900,000 barrels a day.

As an interstate pipeline, the project is under the jurisdiction of the Federal Energy Regulatory Commission. Yet Schweitzer has made clear that Montana, too, must buy into the project or it won't be given clearance to cross the state.

"Maybe when you have many producers in the same room together, we can add up what is the need for new capacity," he said, "so that when we plan the onramp we make it big enough but not too big."